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NEWS
U.S. DEPARTMENT OF AGRICULTURE

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BERGLAND CALLS CHANCES FOR IMPROVED FARM PRICES ENCOURAGING

SPOKANE Wash. Jan. 18--Chances for marked improvement in farm prices in 1978 are most encouraging, Secretary of Agriculture Bob Bergland said in remarks prepared for delivery to the Northwest Farm Forum here tonight.

"I am not saying that all the problems in agriculture have been solved or that farm income will skyrocket overnight," the Secretary said, "but I am saying that we have every good reason to believe that we have turned the corner and that farm prices will continue to strengthen as they have been doing for the past month."

Secretary Bergland said he was basing his optimism on some reliable indicators:

-- the substantial economic impact of the some $1.7 billion in deficiency payments that will have been made by early spring.

-- improved cash and futures markets for wheat and feed grains.

-- solid evidence that there will be substantial increases in wheat, feed grain and soybean exports due to production shortfalls in many parts of the world.

-- international trade agreements already concluded and others under way.

-- new emphasis on developing and expanding farm export markets under the Public Law 480 program and the doubling of Commodity Credit Corporation credit for exports, to $1.7 billion.

-- the production set-aside and the farmer-owned grain reserve program which will tend to relieve price-depressing pressure of current surpluses.

-- the more than $1 billion in farm emergency loans that have been channeled into agriculture to relieve the tight credit crunch.

"The full economic impact of the new Food and Agriculture Act of 1977 has yet to be felt by all of agriculture," Mr. Bergland declared. "In addition, this Administration has taken some 25 positive administrative actions to buttress the farm economy.

"What we are seeking and achieving," he said, "is not some dramatic, flash-in-the-pan, and temporary panacea -- but solid, enduring progress that will bring some business-like predictability into farming.

"We are not depending on some massive one-shot export sale or a worldwide crop disaster to bail us out of our current dilemma," Secretary Bergland stated, "but to establish solid, dependable markets for our farm commodities year after year."

"Frankly, these problems were here when this Administration took office a year ago," he pointed out, "but we're not blaming anyone or feeling sorry for ourselves, we are trying to bring some semblance of solid economic stability into the whole farm sector."

A list of the twenty-five major government actions to strengthen farm income taken since January 20, 1977 are attached.

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THE TWENTY-FIVE MAJOR GOVERNMENT ACTIONS TO STRENGTHEN FARM INCOME TAKEN SINCE JANUARY 20, 1977

1. February 22, announced 1977 wheat, feed grain, and cotton target prices, as established by Agriculture and Consumer Protection Act of 1973.

2. March 22, increased dairy price supports to $9.00 per hundredweight.

3. April 4, established a farmer-owned wheat and rice reserve program for 1976 crops. USDA agreed to pay storage costs, if farmers would hold the crops.

4. Extended loan deadlines to May 31 for 1976 crops, and feed grain and soybean loan rates were increased: corn to $1.75, sorghum to $1.70, barley to $1.50, oats to $1.00, rye to $1.50, and soybeans at $3.50 Commodity loan interest rates were reduced from 7-1/2 percent to 6 percent.

5. Reduced the farm facility storage loan interest rate from 7-1/2 to 7 percent, increased the maximum loan amount to $50,000, cut the down payment requirement in half to 15 percent.

6. May 4, directed that $469 million in emergency drought assistance be made available to producers.

7. June 2, proposed that cooperatives be eligible to participate in CCC price support loan programs for wheat and feed grains, on behalf of their members.

8. July 20, expanded farm storage facility program to include storage for high moisture grain.

9. August 15, extended wheat and feed grain loans that were to mature before October 31, 1977, to that date, at the option of the producer, to give farmers more marketing flexibility.

10. August 16, added additional drought assistance of $50 million under the Drought and Flood Conservation Program.

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11. August 25, lengthened the repayment schedule for new farm facility loans from 5 years to a maximum of 8 years.

12. August 29, announced the creation of a 30-35 million metric ton food and feed grain reserve.

13. August 31, increased feed grain loan rates: corn to $2.00, sorghum to $1.90, barley to $1.63, oats to $1.03, and rye to $1.70.

14. September 2, made commodity loans available on 100 percent of the commodity stored on-farm. Before, only 90 percent of the on-farm grain was eligible for loan.

15. On September 29, President Carter signed the 1977 Food and Agriculture Act into law. More than $800 million was added to deficiency payments to be made to wheat farmers this year.

16. September 30, announced directions to the FmHA to halt all foreclosure actions based on default of payments pending a three-month study of the reasons for the delinquency. During fiscal year 1977 FmHA emergency loans totaling $1.1 billion were made to 35,769 farmers -- the largest emergency loan volume in history.

17. October 5, The President announced a program to assure sugar growers 13.5 cents per pound, raw sugar equivalent.

18. October 14, announced a 20 percent set-aside program for 1978-crop wheat.

19. November 15, announced a conditional 10 percent set-aside and the National program average for 1978-crop corn, sorghum, and barley acreage.

20. December 1, announced final rules for set-aside and normal crop acreage provisions for 1978 programs, allowing grazing on set-aside acreage for six months of the year.

21. December 1, began mailing wheat deficiency payment checks to U.S. farmers. These will ultimately total $1.2 billion and help offset losses. As of January 5, 1978, 1,303,185 checks worth $773,539,593 had been mailed to farmers.

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22. December 6, announced that the grain reserve program was being expanded to include feed grains from both the 1976 and 1977 crops, as well as 1977-crop wheat.

23. December 30, President Carter announced an additional $200 million in CCC export sales credits to Poland, bringing total sales credits for Fiscal 1978 to a record $1.7 billion.

24. January 12, 1978 announced target price levels for 1977 barley ($2.15) and grain sorghum ($2.28) production. Over $500 million in payments to farmers will be made starting in April. Farmers will receive a 50-cent per bushel payment on barley and about a 38-cent per bushel payment for grain sorghum.

25. January 12, Ambassador Strauss signed an agreement with Japan to increase quotas on U.S. beef and citrus exports.

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